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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0002

August 25, 2009

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 8430

Stephen G. Bunn
Broken Arrow, Incorporated
8960 North Highway 40
Lake Point, Utah 84074

Subject: Review of Reclamation Surety, Broken Arrow Incorporated, Tule Valley Silica Mine, S/027/104, Millard County, Utah

Dear Mr. Bunn:

The Division has recently evaluated and adjusted the required reclamation surety for the Tule Valley Silica Mine. The bond amount can be escalated three or five years (2012 or 2014):

Small Mine Operation Bond Calculation Worksheet

Project Name S/027/0104

Tule Valley Silica

3-year escalation (2012)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,400.00	\$7,400.00
Add'l Acres Disturbance	4	\$4,300.00	\$17,200.00
TOTAL			\$24,600.00

5-year escalation (2014)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,600.00	\$7,600.00
Add'l Acres Disturbance	4	\$4,400.00	\$17,600.00
TOTAL			\$25,200.00



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The amount of the increase is \$4,600.00 or \$5,200.00 (depending on the year to which the bond is escalated) bringing your total bond amount for 5 acres to \$24,600.00 or \$25,200.00. Please contact the minerals program bonding coordinator, Penny Berry, to discuss the steps necessary to update the reclamation contract and obtain details on how to submit the increased surety amount. She can be reached at 801-538-5291 or bondcoordinator@utah.gov.

Please provide the updated surety amount within 60 days of the date of this letter or no later than October 24, 2009.

Thank you for taking the appropriate action to maintain the surety in a current status. Questions about this letter can be directed to Tom Munson at 801-538-5321 or to me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PB:tm:pb

cc: JBlake@utah.gov
Penny Berry, DOGM

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